



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

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JUL 1 - 2013

Ref: 8EPR-N

Phil Cruz, Forest Supervisor
Medicine Bow-Routt National Forests and
Thunder Basin National Grassland
2250 E. Richards
Douglas, Wyoming 82633

Re: Draft Environmental Impact Statement Thunder
Basin Coal Company, LLC Clinker Mining
Addition Project CEQ # 20130130

Dear Mr. Cruz:

The U.S. Environmental Protection Agency Region 8 (EPA) has reviewed the U.S. Forest Service's (USFS's) Draft Environmental Impact Statement (Draft EIS) for the proposed Thunder Basin Coal Company Clinker Mining Addition Project in Campbell County, Wyoming. Our comments are provided for your consideration pursuant to our responsibilities and authority under Section 102(2)(C) of the National Environmental Policy Act (NEPA), 42 U.S.C. Section 4332(2)(C) and Section 309 of the Clean Air Act (CAA), 42 U.S.C. Section 7609.

Project Background

The USFS proposes to authorize Thunder Basin Coal Company, LLC, to expand the area of its existing clinker (scoria) mining to include public domain minerals on parcels of the National Forest System (NFS) Thunder Basin National Grasslands. The project area covers 1,338 acres of NFS lands and 1,599 private lands. Mining will occur on 541 acres of NFS lands and 481 acres of private lands over a 21-year period. The Draft EIS analyzes two alternatives: No Action - no mining on federal lands without limiting the potential to mine on private lands in the surrounding area; and the Proposed Action - expansion of clinker mining on 541 acres of Thunder Basin National Grassland.

The EPA offers the following comments and recommendations.

Surface and Ground Water

Surface Water Quality - Surface waters in Little Thunder Creek and North Prong Little Thunder Creek have currently have elevated levels of total dissolved solids (TDS), sulfate, arsenic and manganese. We support the USFS plans to avoid mining through drainages and alluvial valley floors as a way to help prevent additional water quality impacts.

The Draft EIS also predicts impacts to the prevailing hydrologic balance from the increase in stream flows associated with runoff events and the decrease in groundwater infiltration rates. To avoid or mitigate negative impacts from the increased runoff and potentially increased sediment on downstream water quality and aquatic habitat, we recommend placing additional sediment control reservoirs downstream of the clinker mining areas.

Reclamation - We support the Draft EIS commitment to conduct concurrent reclamation as soon as practical in mined out areas that are not required for continuing operations. We also suggest the reclaimed areas be restored to their approximate original contours. These actions will help prevent sediment runoff that could negatively impact downstream water quality.

Air Quality

Cumulative Impacts - The current discussion of cumulative effects references the air quality cumulative environmental quality discussion in the 2010 Wright Area Coal Lease Applications Final EIS (Wright FEIS). We suggest the Final EIS include a more complete discussion of cumulative air quality impacts. A summary of the cumulative impacts from the Wright FEIS would serve this purpose, as well as including any listed mitigation measures that will be applied to the proposed action.

Emissions Inventory - Although emissions estimates have been provided for the project, it is not clear how these emissions were calculated. It would be helpful to provide an appendix detailing the included equipment (number and type/size of equipment) and the emission factors used to calculate the emission estimates in the Draft EIS, Table 6.

Additionally, our review of the Draft EIS did not find the emission estimates for hazardous air pollutants (HAPs). We suggest adding a statement explaining why these pollutants were not included in the emission inventory, or alternatively, quantifying these pollutants.

General

The area on Figure 3 depicting the Bankhead-Jones Act limitations on mining is unavailable for mining. The USFS web link [http://www.fs.fed.us/grasslands/resources/documents/primer/App_G_Bankhead-Jones_Act.pdf] indicates that the land is unavailable to allow for rehabilitation from resource damage. It would be helpful to include in the Final EIS an explanation of what resources are damaged and if the resource damage relates, or does not relate, to the proposed project or similar project.

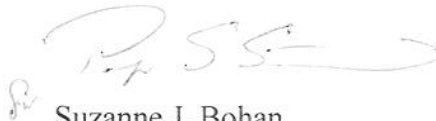
Page 23 of the Draft EIS mentions the Wyoming Abandoned Mine Land (AML) program and proposed AML projects. It is unclear how the AML program is applied in the project area and specifically, whether the project proponent would be relieved of its responsibility to reclaim scoria mining areas because the AML program assumes the reclamation. We suggest the Final EIS clarify the role of AML projects in the area in relation to this proposed project.

Rating and Recommendations

Consistent with Section 309 of the CAA, it is the EPA's responsibility to provide an independent review and evaluation of the potential environmental impacts of this project. Based on the procedures the EPA uses to evaluate the adequacy of the information and the potential environmental impacts of the proposed action, the EPA is rating this Draft EIS as Environmental Concerns- Adequate, (EC-1). The "EC" rating indicates that the EPA review has identified environmental impacts that need to be avoided in order to fully protect the environment. The "1" rating indicates that the EPA believes the Draft EIS provides adequate information and analyses to disclose project impacts. A full description of the EPA's rating system is enclosed.

We hope that our comments will assist you in clarifying the environmental impacts and mitigation measures for this project. We appreciate the opportunity to review and comment on the Draft EIS. If we may provide further explanation of our comments, please contact me at 303-312-6925 or Lisa Lloyd at 303-312-6537.

Sincerely,

A handwritten signature in dark ink, appearing to read 'S. Bohan', with a stylized flourish at the end.

Suzanne J. Bohan
Director, NEPA Compliance and Review Program
Office of Ecosystems Protection and Remediation

Enclosure: EPA's Rating System Criteria



U.S. Environmental Protection Agency Rating System for Draft Environmental Impact Statements

Definitions and Follow-Up Action*

Environmental Impact of the Action

LO - - Lack of Objections: The Environmental Protection Agency (EPA) review has not identified any potential environmental impacts requiring substantive changes to the proposal. The review may have disclosed opportunities for application of mitigation measures that could be accomplished with no more than minor changes to the proposal.

EC - - Environmental Concerns: The EPA review has identified environmental impacts that should be avoided in order to fully protect the environment. Corrective measures may require changes to the preferred alternative or application of mitigation measures that can reduce these impacts.

EO - - Environmental Objections: The EPA review has identified significant environmental impacts that should be avoided in order to provide adequate protection for the environment. Corrective measures may require substantial changes to the preferred alternative or consideration of some other project alternative (including the no-action alternative or a new alternative). EPA intends to work with the lead agency to reduce these impacts.

EU - - Environmentally Unsatisfactory: The EPA review has identified adverse environmental impacts that are of sufficient magnitude that they are unsatisfactory from the standpoint of public health or welfare or environmental quality. EPA intends to work with the lead agency to reduce these impacts. If the potential unsatisfactory impacts are not corrected at the final EIS stage, this proposal will be recommended for referral to the Council on Environmental Quality (CEQ).

Adequacy of the Impact Statement

Category 1 - - Adequate: EPA believes the draft EIS adequately sets forth the environmental impact(s) of the preferred alternative and those of the alternatives reasonably available to the project or action. No further analysis of data collection is necessary, but the reviewer may suggest the addition of clarifying language or information.

Category 2 - - Insufficient Information: The draft EIS does not contain sufficient information for EPA to fully assess environmental impacts that should be avoided in order to fully protect the environment, or the EPA reviewer has identified new, reasonably available alternatives that are within the spectrum of alternatives analyzed in the draft EIS, which could reduce the environmental impacts of the action. The identified additional information, data, analyses or discussion should be included in the final EIS.

Category 3 - - Inadequate: EPA does not believe that the draft EIS adequately assesses potentially significant environmental impacts of the action, or the EPA reviewer has identified new, reasonably available alternatives that are outside of the spectrum of alternatives analyzed in the draft EIS, which should be analyzed in order to reduce the potentially significant environmental impacts. EPA believes that the identified additional information, data, analyses, or discussions are of such a magnitude that they should have full public review at a draft stage. EPA does not believe that the draft EIS is adequate for the purposes of the National Environmental Policy Act and/or Section 309 review, and thus should be formally revised and made available for public comment in a supplemental or revised draft EIS. On the basis of the potential significant impacts involved, this proposal could be a candidate for referral to the CEQ.

* From EPA Manual 1640 Policy and Procedures for the Review of Federal Actions Impacting the Environment. February, 1987.

